

RD AN No. 3655 (426.2)
May 31, 2001

TO: State Directors
Rural Development

ATTENTION: Rural Development Managers, Community Development Managers,
Rural Housing Program Directors and State Environmental Coordinators

FROM: James C. Alsop *(Signed by James C. Alsop)*
Acting Administrator
Rural Housing Service

SUBJECT: Use of Contractor to Provide Federal Emergency Management Agency
(FEMA) Form 81- 93, "Standard Flood Hazard Determination"

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to provide guidance and instruction to Rural Development staff on the use of contractor services to provide the FEMA Form 81-93 through an Internet-based system. The Loan Approval Official is responsible for accessing the Flood Zone Determination Website to obtain both the flood zone determination and the FEMA Form 81-93 certifications for all Section 502 and 504 loans and Section 504 Grants in excess of \$5,000.

COMPARISON WITH PREVIOUS AN:

This AN replaces RD AN No. 3577 (426.2) dated October 19, 2000, which expires May 31, 2001.

BACKGROUND:

Rural Housing Service has contracted with a private vendor to provide the FEMA Form 81-93. This service provides the Agency not only with the initial determination, but will also include

EXPIRATION DATE: May 31, 2002

FILING INSTRUCTIONS:
Preceding RD Instruction 426.2

life-of-the-loan coverage as new flood zones are identified. The contractor is responsible for notifying the Centralized Servicing Center (CSC) of any change and the requirement for flood insurance coverage.

IMPLEMENTATION RESPONSIBILITIES:

The Standard Flood Hazard Determination must be completed in conjunction with and attached to the environmental review. Field staff will access the Trans Union Flood Compliance Services, Inc., web page at www.tuflood.com to obtain the FEMA Form 81 - 93 certifications. On a monthly basis, CSC will forward flood zone determination statistics to State offices for flood zone determination verification through the Quality Assurance Report. Any billing discrepancies should be reported to CSC's Hazard Insurance Section. Step by step instructions in accessing the web site and obtaining flood hazard determinations were added to HB-1-3550 and issued on SPN, dated 11-03-00.

Please note that a Flood Hazard Determination is **not** required for Section 504 Grants of \$5,000 or less. In cases of leveraged loans, where available, the Agency must obtain a Flood Hazard Determination through Trans Union.